

CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	R	R	
5 CREDITORS			
Trade creditors	84 934	0	
Other creditors	18 732 023	15 871 518	
Payment received in advance	16 646 169	10 682 812	
Suspense accounts	1 806 053	1 093 779	
Total Creditors	37 269 180	27 648 109	
Included in other creditors are retension money R 5 338 332, creditors Market R 1 603 406, creditors provision R 2 511 228, creditors private works R 1 014 288 and salary suspense R 6 997 335.			
	2007	2006	
	R	R	
6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS			
6.1 Conditional Grants from other spheres of Government			
MIG Grants (see note 18.5)	9 503 025	14 431 202	
Provincial LED Projects (see note 18.6)	856 090	1 238 990	
Provincial Capital Grants (see note 18.7)	40 671 048	8 305 780	
National Electricity Regulator (see note 18.8)	496 900	541 790	
Finance Management Grant (see note 18.9)	1 749 621	3 355 288	
Department of Water Affairs (see note 18.11)	608 600	608 600	
Provincial Government Grants (see note 18.12)	0	50 000	
6.2 Other Conditional Receipts	0	0	
Development Bank of South Africa (see note 18.10)	0	0	
Public contributions (see note 18.3)	0	0	
Total Conditional Grants and Receipts	53 885 284	28 531 649	
	2007	2006	
	R	R	
7 VAT			
VAT payable	29 194 123	22 245 866	
VAT is payable on the cash basis.			
	2007	2006	
	R	R	
8 INVESTMENTS			
Unlisted			
Senwes	45 082	28 781	
	45 082	28 781	
Financial Instruments			
Fixed Deposits	6 930 133	6 230 006	
Total Cash Investments	6 930 133	6 230 006	
Total Investments	6 975 216	6 258 787	
Valuation of unlisted investments			
Senwes	45 082	28 781	
	45 082	28 781	
Allocation of external investments: In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-			
Redemption of Long-Term Liability(Maturing June 2019)	6 930 133	6 230 006	
Accumulated Surplus/(Deficit)	45 082	28 781	
Total	6 975 216	6 258 787	



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007						
9.1 PROPERTY, PLANT AND EQUIPMENT						
30 June 2007						
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	92 491 036	331 857 887	30 649 173	1 338 691	47 851 456	504 188 243
Cost	117 740 049	478 125 466	50 387 262	1 423 416	181 768 715	829 444 898
Correction of error	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
- Cost	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
- Revaluation	0	0	0	0	0	0
						0
Acquisitions	13 865 061	127 919 247	15 440 814	147 120	11 599 024	168 971 267
Capital under Construction	0	0	0	0	0	0
Increases/decreases in revaluation	0	0	0	0	0	0
Depreciation	(2 332 077)	(27 730 730)	(1 896 100)	0	(13 195 610)	(45 154 517)
- based on cost	(2 332 077)	(27 730 730)	(1 896 100)	0	(13 195 610)	(45 154 517)
- based on revaluation	0	0	0	0	0	0
Carrying value of disposals	(505 488)	(8 139 186)	(902 503)	0	(467 314)	(10 014 490)
Cost/revaluation	(2 172 477)	(8 722 613)	(933 624)	0	(2 571 045)	(14 399 759)
Accumulated depreciation	1 666 989	583 427	31 121	0	2 103 731	4 385 269
Impairment losses	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
						0
Carrying values at 30 June 2007	103 518 532	423 907 216	43 291 385	1 485 811	45 787 556	617 990 502
Cost	129 432 633	597 322 100	64 894 443	1 570 636	190 796 693	984 016 405
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(26 914 101)	(173 414 882)	(21 603 058)	(84 725)	(145 009 137)	(366 025 903)
Cost	(26 914 101)	(173 414 882)	(21 603 058)	(84 725)	(145 009 137)	(366 025 903)
Revaluation	0	0	0	0	0	0
30 June 2006						
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2005	89 752 300	251 479 189	22 037 270	1 292 246	50 919 553	415 480 558
Cost	112 938 988	377 410 677	40 486 799	1 376 971	173 564 773	706 778 208
Correction of error						0
Revaluation						0
Accumulated depreciation	(23 186 688)	(125 931 489)	(18 449 529)	(84 725)	(122 645 220)	(290 297 651)
- Cost	(23 186 688)	(125 931 489)	(18 449 529)	(84 725)	(122 645 220)	(290 297 651)
- Revaluation						0
Acquisitions	4 801 061	100 754 597	9 900 453	46 446	10 914 985	126 417 541
Separation Inventory from Assets						0
Capital under Construction						0
Increases/decreases in revaluation						
Depreciation	(2 062 325)	(20 375 899)	(1 288 550)	0	(13 983 082)	(37 709 856)
- based on cost	(2 062 325)	(20 375 899)	(1 288 550)	0	(13 983 082)	(37 709 856)
- based on revaluation						0
Carrying value of disposals:	0	0	0	0	0	0
Cost/revaluation						
Accumulated depreciation						
Impairment losses						0
Other movements						0
						0



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007						
						0
Carrying values at 30 June 2006	92 491 036	331 857 887	30 649 173	1 338 691	47 851 456	504 188 243
Cost	117 740 049	478 125 486	50 387 252	1 423 418	181 768 715	829 444 898
Revaluation	0	0	0	0	0	0
Accumulated depreciation	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
Cost	(25 249 013)	(146 267 580)	(19 738 079)	(84 725)	(133 917 259)	(325 256 655)
Revaluation	0	0	0	0	0	0
The revaluation surplus is reconciled as follows:					2007	2006
					R	R
Balance at beginning of year						
Surplus realized						
Balance at end of year					0.00	0
Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.						
The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2008. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not assessed whether items of property, plant and equipment are impaired. It is expected that an assessment of impairments will be done by 30 June 2008. The Council did not review the useful life or the depreciation method used on the assets recognised in the annual financial statements for the 2006/07 financial year due to the exemption granted in Gazette 30013.						
					2007	2006
					R	R
9.2 INVESTMENT PROPERTIES						
Cost					5 392 196	5 392 196
Total Investment Properties					5 392 196	5 392 196



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
10 LONG-TERM RECEIVABLES			
Car loans	13 321	304 131	
Bursary loans	507 389	567 483	
Sport bodies	347 785	361 144	
High tension connections	14 984	19 603	
Abattoir	10 280 000	10 280 000	
Sale of Stands	0	0	
Sale of Stands Housing	3 283 924	292 810	
Housing houses	8 968 596	8 391 926	
	23 415 998	20 217 096	
Less : Short-term portion transferred to current assets	688 165	416 501	
Car loans	13 447	234 799	
Bursary loans	263 759	62 845	
Sport bodies	13 666	13 001	
High tension connections	4 941	4 257	
Sale of Stands	392 352	101 599	
Total	22 727 633	19 800 595	
CAR LOANS			
Council do not grant any new car loans as it is prohibited by the MFMA. The current car loans are those that were granted before the start of the MFMA and were granted to Managers at an interest rate between 8% and 11%. Different loan schemes were in place. New loan were based on 40% to 55% of the Manager's total remuneration package and the repayment period did not exceed the term of the Manager's contract.			
BURSARY/STUDY LOANS			
Different loan schemes were in place. Loans were granted to officials and public for study purposes at various interest rates and repayable over a maximum period of 5 years. In terms of MFMA no new loans may be granted.			
SPORT BODIES			
Different loan schemes are in place for various sporting bodies. The interest rates fluctuate between 5% to 15% repayable over a period from 5 years to 20 years. The MFMA also stopped this practice.			
HIGH TENSION CONNECTIONS			
Council do not grant any high tension loans as it is prohibited by MFMA. High tension loans were granted to public who made applications to the Council. The maximum loan amount should be R 35 000. Loans were determined at 15% interest rate and repayable over a period of 60 months.			
SALE OF STANDS			
Stands were sold to public and is also prohibited by the MFMA. Sale of stands were determined at 15% interest rate repayable over a period of 60 months.			
SALE OF HOUSES			
Houses were sold to public and is also prohibited by the MFMA. Sale of houses were determined at 15% interest rate repayable over a period of 60 months.			
ABATTOIR			
The abattoir surety holder has been liquidated and a civil claim is pending. The opinion is that the full amount will not be recovered. A calculation of possible recovery is not possible at this stage. The Abattoir was also put on tender subsequent to the compilation of the statements. An amount of R 2,508 million was tendered and the tender has been accepted. The claim against the previous purchaser is continuing.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007 R	2006 R	
11 INVENTORY			
Consumable stores - at cost	8 401 395	10 271 413	
Museum stores - at authorized value	158 772	141 285	
Nature reserve -wild stock	3 438 250	2 643 425	
Unsold properties held for resale at council resolution or municipal valuation.	5 205 371	5 322 589	
Total Inventory	17 203 787	18 378 712	
<p>The Council did not recognise the purchase of water stock in the annual financial statements for the 2006/07 financial year due to the exemption granted in Gazette 30013. See note 28.6 for inventory shortages and surpluses. The nature of calculating the estimated value of Nature Reserve (Wild Stock) was changed from 50% in the 2005/06 financial year to 100% in the 2006/07 financial year. If this policy was applied in previous years it would have resulted in a larger surplus and the stock value would have been R2.6 m more. This change in estimation is reported in terms of GRAP3.39 and will be used in future. The effect on future estimates are impracticable to estimate at this stage.</p>			
12 CONSUMER DEBTORS			
<i>As at 30 June 2007</i>			
	Gross Balances	Provision for Bad Debts	Net Balance
Service debtors	501 250 082	430 278 179	70 971 904
Rates	89 400 816	81 569 905	7 810 911
Electricity	30 239 157	29 574 593	664 584
Water	80 844 824	65 747 252	15 097 572
Sewerage	46 103 685	42 320 322	3 783 383
Refuse	42 602 873	38 411 589	4 191 384
Other debtors	212 058 627	172 634 517	39 424 110
Total	501 250 082	430 278 179	70 971 904
<i>As at 30 June 2006</i>			
Service debtors	429 221 985	358 186 661	71 035 324
Rates	74 178 845	67 919 818	6 259 027
Electricity	27 280 369	24 619 479	2 660 890
Water	67 084 241	54 731 543	12 352 887
Sewerage	40 678 745	35 229 709	5 449 036
Refuse	37 027 880	31 975 869	5 052 010
Other debtors	182 971 906	143 710 242	39 281 663
Total	429 221 985	358 186 661	71 035 324
	2007 R	2006 R	
Rates : Ageing			
Current (0 - 30 days)	8 228 648	7 549 367	
31 - 60 Days	3 082 984	2 725 514	
61 - 90 Days	2 717 811	2 872 397	
90+ Days	75 371 373	61 031 567	
Total	89 400 816	74 178 845	
(Electricity, Water, Refuse, Sewerage and other debtors) :			
Current (0 - 30 days)	32 125 928	30 492 804	
31 - 60 Days	10 444 485	9 375 371	
61 - 90 Days	10 092 306	7 749 282	
90+ Days	359 186 548	307 425 682	
Total	411 849 266	355 043 140	
Housing rentals : Ageing			
Current (0 - 30 days)	241 997	96 502	
31 - 60 Days	277 539	91 676	
61 - 90 Days	185 767	97 346	
90+ Days	14 135 687	6 772 684	
Total	14 840 991	7 058 207	



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007					
<u>Summary of Debtors by Customer</u>		<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>
<u>Classification</u> 30 June 2007					
		R	R	R	R
Current (0 - 30 days)	36 769 414	2 871 971	547 907	619 090	
31 - 60 Days	12 532 481	773 932	86 392	678 546	
61 - 90 Days	11 795 287	782 765	65 063	636 776	
90+ Days	402 776 521	9 240 592	1 434 148	19 639 198	
Sub-total	463 873 703	13 669 260	2 133 509	21 573 810	
Less: Provision for bad debts	398 193 814	11 733 832	1 831 426	18 519 007	
Plus: Reversal of Bad Debts	0				
Total debtors by customer classification	65 679 789	1 935 428	302 083	3 054 603	
<u>Summary of Debtors by Customer</u>		<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Other</u>
<u>Classification</u> 30 June 2006					
		R	R	R	R
Current (0 - 30 days)	30 237 611	3 573 375	89 784	4 141 401	
31 - 60 Days	8 071 161	1 048 221	59 412	2 822 081	
61 - 90 Days	6 877 446	822 349	47 927	2 773 957	
90+ Days	208 145 863	10 122 725	666 757	149 521 904	
Sub-total	253 432 081	15 566 670	863 880	159 359 353	
Less: Provision for bad debts	211 489 612	12 890 420	720 910	132 985 720	
Total debtors by customer classification	41 942 469	2 576 251	142 970	26 373 633	
Provision for bad debts was calculated as a percentage proportionally to the outstanding amounts.					
PROVISION FOR BAD DEBTS					
Balance at 1 July			358 186 661	277 074 522	
Contribution for the year			72 034 070	82 523 000	
Reversal of Bad Debts			89 882	0	
Written off for the year			(32 435)	(1 410 861)	
Balance at 30 June			430 278 179	358 186 661	
			2007	2006	
			R	R	
13 OTHER DEBTORS					
Unauthorized expenditure (see Note 32.1)			34 995	0	
Fruitless and wasteful expenditure (see Note 32.2)			161 958	0	
Insurance claims			2 704 570	1 227 431	
National Electricity Regulator			0	0	
Short-term loans and other			34 094 508	24 963 466	
Housing (Internal Loan)			11 000 000	0	
Provincial health subsidies			2 727 810	0	
District Municipality Environmental Health			826 515	2 906 220	
Payment made in advance			125 265	0	
Market			952 593	984 337	
Housing rentals			17 103 215	12 202 898	
Suspense accounts			156 270	913 958	
Total Other Debtors			69 887 697	43 198 310	
			2007	2006	
			R	R	
14 CALL INVESTMENT DEPOSITS					
Other Deposits			180 692 249	115 748 289	
Allocation of external investments					
In terms of legislation, surplus cash is invested until used for specific purposes. Investments are allocated on the following basis:-					
Ex Gratia Pension Reserve			139 091	164 843	
Capital Replacement Reserve			6 166 410	6 206 389	
Unspent conditional grants and receipts			53 885 284	28 531 649	
Self Insurance Fund			13 803 554	13 867 482	
Housing Development Fund			6 230 166	6 230 166	
Accumulated Surplus/(Deficit)			100 467 744	60 747 780	
Total			180 692 249	115 748 289	
The total amount invested in cash for Accumulated Surplus/(Deficit) amounts to R 100 512 826 (See also Note 14)					



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
15 BANK, CASH AND OVERDRAFT BALANCES			
The Municipality has the following bank accounts:			
Current Account (Primary Bank Account)			
ABSA Bank - Church street Klerksdorp			
Account Number : 4060008684			
Cash book balance at beginning of year	6 765 168	189	
Cash book balance at end of year	7 682 597	6 765 168	
Bank statement balance at beginning of year	6 765 168	189	
Bank statement balance at end of year	7 780 073	6 765 168	
ABSA Bank - Church street Klerksdorp			
Account Number : 01000100176			
Cash book balance at beginning of year	16 633 944	(15 515 107)	
Cash book balance at end of year	21 463 335	16 633 944	
Bank statement balance at beginning of year	53 629 032	5 132 090	
Bank statement balance at end of year	27 765 028	53 629 032	
ABSA Bank - Church street Klerksdorp			
Account Number : 4059110705 (Grant Fire)			
Bank statement balance at beginning of year	0	131 457	
Bank statement balance at end of year	0	0	
ABSA Bank - Church street Klerksdorp			
Account Number : 4059753993 (Museum)			
Bank statement balance at beginning of year	0	246	
Bank statement balance at end of year	0	0	
ABSA Bank - Church street Klerksdorp			
Account Number : 950164379 (Stadsraad Water)			
Cash book balance at beginning of year - overdrawn	(1 802)	(2 188)	
Cash book balance at end of year	2 697 938	(1 802)	
Bank statement balance at beginning of year	47 180	56 029	
Bank statement balance at end of year	2 732 058	47 180	
ABSA Bank - Church street Klerksdorp			
Account Number : 950000090 (Market)			
Cash book balance at beginning of year	362 937	110 525	
Cash book balance at end of year	699 967	362 937	
Bank statement balance at beginning of year	1 059 375	1 587 869	
Bank statement balance at end of year	1 583 279	1 059 375	
ABSA Bank - Church street Klerksdorp			
Account Number : 4059133084 (Mayor's Golf Day)			
Cash book balance at beginning of year	60 472	0	
Cash book balance at end of year	66 383	60 472	
Bank statement balance at beginning of year	61 836	0	
Bank statement balance at end of year	71 383	61 836	
CASH ADVANCES			
Petty Cash	57 175	56 675	
Total Cash Advances	57 175	56 675	
Total Cash balances	32 667 396	23 879 196	
Total Overdrafts balances	0	(1 802)	
Total Cash and overdrafts balances	32 667 396	23 877 394	



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
16 PROPERTY RATES			
Actual			
Residential and commercial	96 763 731	88 812 858	
Agricultural	2 585 394	1 466 339	
State	3 140 086	3 108 512	
Sundry debtors	64 255	78 147	
Total Assessment Rates	102 553 466	93 465 656	
Valuations			
	July 2006	July 2005	
	R 000	R 000	
Residential and commercial	577 583	554 707	
Agricultural	39 736	26 074	
State	19 105	20 289	
Municipal and farms	386 882	397 339	
Total Property Valuations	1 023 286	998 409	
	2007	2006	
	R	R	
17 SERVICE CHARGES			
Sale of electricity	185 310 020	172 842 277	
Sale of water	106 917 887	96 418 543	
Refuse removal	45 212 536	39 903 323	
Sewerage and sanitation charges	53 791 700	49 407 533	
Total Service Charges	391 232 142	358 572 676	
	2007	2006	
	R	R	
18 GRANTS AND SUBSIDIES			
Equitable share	111 881 887	93 000 771	
Provincial LED Projects	0	779 831	
Provincial health subsidies	6 949 629	8 199 244	
Finance Management Grant	500 000	464 904	
Development Bank of South Africa	0	40 678	
Eskom Demand Side Management	14 734 284	0	
District Municipality Environmental Health	2 908 474	2 156 000	
District Municipality - operational grants	5 000 000	0	
District Municipality Capital assets grants	27 356 943	18 767 404	
Lotto Capital asset grant	0	818 733	
Anglo Gold Ashanti Capital assets grants	76 500	1 600 400	
MIG Grant	65 043 165	44 716 860	
National Electricity Regulator	496 900	3 089 235	
Provincial capital grants	1 510 072	9 331 206	
Department of Water Affairs	0	41 400	
Total Government Grant and Subsidies	236 457 854	183 016 667	
18.1 Equitable Share			
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R 144.16 (2007: R 46 791 713), which is funded from this grant.			
18.2 Provincial Health Subsidies			
Balance unspent at beginning of year	0	0	
Current year receipts - included in public health vote	6 949 629	8 199 244	
Conditions met - transferred to revenue	(10 153 811)	(8 199 244)	
Conditions still to be met - transferred to liabilities (see note 6)	(3 204 181)	0	
The Municipality primarily renders health services on behalf of the Provincial Government and is refunded approximately 80% of total expenditure incurred. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
18.3 Eskom Demand Side Management			
Balance unspent at beginning of year			
Current year receipts - included in public health vote	14 734 284	0	
Conditions met - transferred to capital expenditure	(14 734 284)	0	
Conditions still to be met - transferred to liabilities (see note 6)	0	0	
Council received capital grant from Eskom for demand side management system on the residential sector.			
18.4 District Municipality Environmental			
Balance unspent at beginning of year			
Current year receipts - included in public health vote	2 908 474	2 156 000	
Conditions met - transferred to revenue	(3 637 710)	(2 156 000)	
Conditions still to be met - transferred to liabilities (see note 6)	(729 236)	0	
The Municipality renders environmental services on behalf of the District Municipality and is refunded for expenditure incurred. This grant has been used exclusively to fund environmental service (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.			
18.5 MIG Grant			
Balance unspent at beginning of year			
Current year receipts	14 431 202	7 965 651	
Conditions met - transferred to revenue	60 114 988	51 182 411	
Conditions still to be met - transferred to liabilities (see note 6)	(65 043 165)	(44 716 860)	
This grant was used to construct roads, storm water, streetlights, sewerage and water infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.			
18.6 Provincial LED Projects			
Balance unspent at beginning of year			
Current year receipts	1 238 990	1 792 443	
Conditions met - transferred to revenue	0	226 378	
Conditions still to be met - transferred to liabilities (see note 6)	(382 900)	(779 831)	
856 090 1 238 990			
Provincial LED Projects grants are used to promote Small, Medium and Micro Enterprises. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Local Economic development and Procurement vote in Appendix D). No funds have been withheld.			
18.7 Provincial Capital Grants			
Balance unspent at beginning of year			
Current year receipts	8 305 780	10 018 949	
Conditions met - transferred to revenue	33 875 340	7 618 038	
Conditions still to be met - transferred to liabilities (see note 6)	(1 510 072)	(9 331 206)	
40 671 048 8 305 780			
Provincial capital grants are used to upgrade libraries, construct heritage assets, transport museum, supply water and sanitation to farm schools, bucket eradication and supply electricity and sewerage to the prison. The grant is spent in accordance with a business plan approved by the Provincial Government (included in Appendix D). No funds have been withheld.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
18.8 National Electricity Regulator			
Balance unspent at beginning of year	541 790	(858 975)	
Current year receipts	2 264 000	4 300 000	
Conditions met - transferred to revenue	(2 308 890)	(3 098 235)	
Conditions still to be met - transferred to liabilities (see note 6 (2005/2006) and 13 (2004/2005) other debtors)	496 900	541 790	
National Electricity Regulator grants are used supply electricity to consumers. The grant is spent in accordance with a business plan approved by the N.E.R.(included in Appendix D). No funds have been withheld.			
18.9 Finance Management Grant			
Balance unspent at beginning of year	3 355 288	2 820 192	
Current year receipts	500 000	1 000 000	
Conditions met - transferred to revenue	(2 103 467)	(441 754)	
Conditions met - transferred to capital expenditure	(2 200)	(23 150)	
Conditions still to be met - transferred to liabilities (see note 6)	1 749 621	3 355 288	
Finance Management Grant is used to support the municipality with National Treasury budget and financial reforms. The grant is spent in accordance with a the guidelines of National Treasury. included in Appendix D). No funds have been withheld.			
18.10 Development Bank of South Africa			
Balance unspent at beginning of year	0	40 678	
Current year receipts	0	0	
Conditions met - transferred to revenue	0	(40 678)	
Conditions met - transferred to capital expenditure	0	0	
Conditions still to be met - transferred to liabilities (see note 6)	0	0	
The grant received in 2006 from the Development Bank of South Africa is used support the Municipality with debt collection. The grant was spent in accordance with a business plan approved by the Development Bank of South Africa, included in Appendix D). No funds have been withheld.			
18.11 Department of Water Affairs			
Balance unspent at beginning of year	608 600	0	
Current year receipts	0	850 000	
Conditions met - transferred to revenue	0	(41 400)	
Conditions met - transferred to capital expenditure	0	0	
Conditions still to be met - transferred to liabilities (see note 6)	608 600	608 600	
The grant received from the Department of Water Affairs is used support the Municipality with the relieving of drought. The grant is spent in accordance with a business plan approved by the Department of Water Affairs. included in Appendix D). No funds have been withheld.			
18.12 Provincial Government Grants			
Balance unspent at beginning of year	50 000	0	
Current year receipts	0	50 000	
Conditions met - transferred to revenue	0	0	
Conditions met - transferred to capital expenditure	(50 000)	0	
Conditions still to be met - transferred to liabilities (see note 6)	0	50 000	
The grant received from the Provincial Government is used support the Municipality with the development of the Museum. The grant is spent in accordance with a business plan approved by the Provincial Government. included in Appendix D). No funds have been withheld.			
18.13 District Municipality Grants			
Balance unspent at beginning of year	0	(92 618)	
Current year receipts	5 000 000	92 618	
Conditions met - transferred to revenue	0	0	
Conditions met - transferred to operational expenditure	(5 000 000)	0	
Conditions still to be met - transferred to liabilities (see note 6)	0	0	
The grant received from the District Municipality is used to support the Municipality with the repair and maintenance of fire vehicles,environmental man youth and 2010 world cup projects. Included in Appendix D). No funds have been withheld.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007	2006	
	R	R	
18.14 District Municipality Capital Grants			
Balance unspent at beginning of year		0	18 787 404
Current year receipts		27 356 943	0
Conditions met - transferred to revenue		0	0
Conditions met - transferred to capital expenditure		(27 356 943)	(18 787 404)
Conditions still to be met - transferred to liabilities		0	0
Various capital grant in the form of assets were received from the District Municipality as support to the Municipality and is included in Appendix D). No assets have been withheld.			
18.15 LOTTO Capital Grants			
Balance unspent at beginning of year		0	0
Current year receipts		0	818 733
Conditions met - transferred to revenue		0	0
Conditions met - transferred to capital expenditure		0	(818 733)
Conditions still to be met - transferred to liabilities		0	0
Capital grant in the form of asset was received from the Lotto funds as support to the Municipality and is included in Appendix D). No assets have been withheld.			
18.16 Anglo Gold Ashanti Capital Grants			
Balance unspent at beginning of year		0	0
Current year receipts		76 500	1 600 400
Conditions met - transferred to revenue		0	0
Conditions met - transferred to capital expenditure		(76 500)	(1 600 400)
Conditions still to be met - transferred to liabilities		0	0
Capital grant in the form of asset was received from the Anglo Gold Ashanti funds as support to the Municipality and is included in Appendix D). No assets have been withheld.			
18.17 Changes in levels of government grants			
Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.			
	2007	2006	
	R	R	
19 OTHER INCOME			
Abattoir		0	0
Connections		885 522	893 354
Commissions on services rendered		559 113	558 281
Provincial Government Commission on Licenses		5 624 334	4 704 402
Fees Burial		891 077	872 213
Fees Parking		370 552	427 251
Fees Ripe and Cool		346 340	436 794
Legal Costs		1 991 383	1 843 075
Provincial Government Motors Direct		4 961	643 471
MIG project management unit		561 893	789 599
Job costing		2 000 835	1 599 342
Recovery of impairment of investment		59 954	0
Revaluation of Shares		16 301	0
Sale of Stands		5 176 085	1 574 933
Seta Training		795 911	1 235 367
Transfer from unappropriated surplus		0	1 386 867
Transfer from leave provision		2 926 780	4 411 887
Unclaimed Moneys		678 996	
Wild Stock		1 219 525	456 838
Other none material income		2 081 130	2 891 098
Total Other Income		26 190 691	24 724 779
The basis of greater than R500 000 and disclosure i.t.o. GAP1.99 (Shares & investmanet impairment) were used to indicated the breakdown of other income.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
		2007	2006	
		R	R	
20 EMPLOYEE RELATED COSTS				
Employee related costs - Salaries, wages and other allowances		148 081 279	134 897 103	
Employee related costs - Contributions for pensions, UIF, group insurance and medical aids		44 909 117	38 987 806	
Travel and motor car allowances		4 972 385	4 723 730	
Housing benefits and allowances		1 307 393	1 325 091	
Overtime payments		8 951 105	6 984 967	
Performance bonus		296 769	295 474	
Less: Employee costs unauthorized to Property, Plant and Equipment		(307 429)	(889 417)	
Total Employee Related Costs		206 210 619	186 304 754	
There were no advances to employees. Loans to employees are set out in note 10.				
Remuneration of the Municipal Manager				
Annual Remuneration : Package		447 750	765 013	
Performance Bonuses		60 589	74 480	
Car Allowance		0	0	
Contributions to UIF, Medical and Pension Funds		0	0	
Total		508 339	839 493	
Remuneration of the Chief Finance Officer				
Annual Remuneration : Package (Section 57 appointment from 15 March 2007)		187 456	0	
Performance Bonuses		0	0	
Car Allowance		0	0	
Contributions to UIF, Medical and Pension Funds		0	0	
Total		187 456	0	
Remuneration of Managers				
30 June 2007		Director Infrastructure & Utilities : Section 57 appointment from 1 July 2007	Director Municipal & Social Services : Section 57 appointment from 4 December 2006	Director Corporate Services & Governance : Section 57 appointment from 12 January 2007
Annual Remuneration : Package		0	385 122	303 452
Performance Bonuses		0	0	0
Car Allowance		0	0	0
Contributions to UIF, Medical and Pension Funds		0	0	0
Total		0	385 122	303 452
				Director Economic Development & Procurement : Section 57 appointment from 1 January 2007
30 June 2007		Deputy Municipal Manager: Technical	Deputy Municipal Manager: Administration	Public Safety Services
Annual Remuneration		320 573	275 284	258 984
Performance Bonuses		64 630	49 056	0
Car Allowance		0	0	88 827
Contributions to UIF, Medical and Pension Funds		0	0	76 178
Total		385 203	324 340	401 787
				Health Services



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007				
			2007	2006
	Community Services	Housing Services	City Civil Engineer	City Electrical Engineer
Annual Remuneration	258 984	222 420	258 984	222 420
Performance Bonuses	0	0	0	0
Car Allowance	82 630	41 473	74 480	64 827
Contributions to UIF, Medical and Pension Funds	70 602	50 244	90 456	87 144
Total	412 216	314 137	423 920	354 391
	Corporate Services	Market Master	Local Economic Development and Procurement	Manager Financial Services
Annual Remuneration	258 984	133 407	222 420	180 395
Performance Bonuses	0	0	0	0
Car Allowance	66 387	40 732	67 140	80 348
Contributions to UIF, Medical and Pension Funds	64 778	39 689	81 675	59 023
Total	390 149	213 828	371 235	319 766
30 June 2006	Deputy Municipal Manager: Technical	Deputy Municipal Manager: Administration	Public Safety Services	Health Services
Annual Remuneration	648 894	648 894	239 532	239 532
Performance Bonuses	63 175	47 749	0	0
Car Allowance	0	0	78 765	29 218
Contributions to UIF, Medical and Pension Funds	0	0	88 572	53 220
Total	712 069	696 643	388 889	321 970
	Community Services	Housing Services	City Civil Engineer	City Electrical Engineer
Annual Remuneration	239 532	236 125	239 532	239 532
Performance Bonuses	0	0	0	0
Car Allowance	78 346	41 473	74 062	75 511
Contributions to UIF, Medical and Pension Funds	64 987	48 127	77 285	62 929
Total	382 865	325 725	390 879	377 972
	Corporate Services	Market Master	Local Economic Development and Procurement	Manager Financial Services
Annual Remuneration	269 244	206 724	206 724	363 263
Performance Bonuses	0	0	0	0
Car Allowance	67 045	63 771	63 149	120 249
Contributions to UIF, Medical and Pension Funds	61 661	63 457	33 431	83 123
Total	397 950	333 952	303 304	566 635



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
	2007 R	2006 R	
21 REMUNERATION OF COUNCILORS			
Executive Mayor	458 004	373 071	
Speaker	361 891	341 958	
Mayoral Committee Members (Councillors: 8)	3 207 666	3 416 553	
Councillors (Councillors: 51)	6 785 132	5 079 218	
Councillors pension contribution	0	870 793	
Councillors medical contribution	0	316 089	
Total Councilors' Remuneration	10 812 693	10 397 661	
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of Council. The Executive Mayor has use of a Council owned vehicle for official duties.			
22 INTEREST PAID			
Long-term liabilities	18 933 733	24 679 973	
Finance leases	0	0	
Bank overdraft	0	0	
Total Interest on External Borrowings	18 933 733	24 679 973	
Interest was paid to lenders as indicated in Appendix A			
23 BULK PURCHASES			
Electricity	105 660 613	95 247 408	
Water	75 215 872	63 554 272	
Total Bulk Purchases	180 876 485	158 801 679	
Electricity and water are supplied by Eskom and Midvaal Water Company. Residence of Hartbeesfontein are supplied with water purchased from a private individual.			
24 GRANTS AND SUBSIDIES PAID			
Total Grants and Subsidies	0	0	
25 GENERAL EXPENSES			
Included in general expenses are the following expenditure			
Assessment rates	2 108 970	2 008 550	
Consultants	1 771 643	1 874 397	
Consumables	1 721 983	0	
Free Basic Services	46 792 919	40 486 905	
Hire computer equipment	962 302	1 003 457	
Insurance W.C.A	2 640 263	1 048 262	
Insurance short-term	2 443 757	2 204 620	
Levy skills development	1 531 028	1 434 084	
Longterm liability District Municipality	7 287 555	0	
Mayor's special projects	617 574	2 304 246	
Meter readings	3 429 024	3 194 506	
Postage	2 480 618	2 294 382	
Printing and stationeries	1 938 656	1 750 473	
Security	2 995 009	2 701 450	
Telephone and call charges	3 094 665	2 956 508	
Vehicle charges	9 890 870	8 051 253	
The list above represent general expenditure above R1 million. The difference of approximately R 38 million is made up by other non-material operating expenditure.			



CITY OF MATLOSANA NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007			
		2007	2006
		R	R
26 SURPLUS OF ASSOCIATE			
Share of retained profit on the equity method		0	0
		2007	2006
		R	R
27 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP			
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:			
27.1 Statutory Funds			
Balance previously reported:			
Asset Financing Fund			
Total		0	0
Implementation of GRAP			
Transferred to Capital Replacement Reserve			
Total		0	0
27.2 Non-Distributable Reserves			
Balance previously reported:			
Grants (FDR)			
Donations and Contributions (FDR)			
Asset Financing Reserve (FDR)			
Total		0	0
Implementation of GRAP			
Transferred to Government grants and reserves			
Transferred to Donations and public contribution reserve			
Transferred to Capitalization Reserve			
Total		0	0
27.3 Property, plant and equipment			
Balance previously reported			
		0	0
Implementation of GRAP			
Infrastructure previously not recorded credited to Accumulated Surplus/(Deficit)			
Total		0	0
27.4 Accumulated Depreciation			
Balance previously reported			
		0	0
Implementation of GRAP			
Backlog depreciation: Land and buildings			
Backlog depreciation: Infrastructure			
Backlog depreciation: Community			
Backlog depreciation: Other			
Backlog depreciation: Housing Development Fund			
Total		0	0
27.5 Accumulated Surplus/(Deficit)			
Transferred from statutory funds			
Transferred from Non-distributable Reserves			
Transferred from Property, plant and equipment			
Backlog depreciation			
Total		0	0
Council has converted the accounting records from the old funds accounting method to GAMAP during the financial year ended 30 June 2003.			

